

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT APPLICATION OF POTTER WATER)
SERVICE AND MOUNTAIN WATER DISTRICT FOR) CASE NO. 94-434
THE TRANSFER OF RESIDENTIAL WATER SERVICE)

O R D E R

IT IS ORDERED that Potter Water Service ("Potter") and Mountain Water District ("Mountain") shall jointly file the original and 6 copies of the following information with the Commission with a copy to all parties of record within 15 days from the date of this Order. Each response shall include the name of the witness who will be available to respond to questions concerning each item of information requested should a public hearing be scheduled.

1. Mountain stated in a January 3, 1995 letter to Mr. John Hughes that Potter should pay to Mountain the following costs for each residential customer transferred: 1) \$125 connection fee; 2) \$10 state plumbing permit; and 3) the cost of a new service line (estimated to be \$100 for a 50 foot line) from Mountain's main to the customer's residence. Is Potter willing to pay these costs to transfer its residential customers?

2. Potter's application, Exhibit B, indicates that residential customers have been notified of the proposed transfer of service and the rates to be charged by Mountain. Have these customers been notified of their obligation to pay the costs

referenced in Item No. 1, above? If yes, provide copies of that notice.

3. If the response to Item No. 2, above, is no, notify each residential customer that upon transfer of service to Mountain, each customer will be required to: i) pay a \$125 connection fee to Mountain; ii) pay a \$10 state plumbing permit; and iii) install and pay for a new water service line at a cost that will vary with the length of the line. The notice should also state that any comments regarding these payments should reference Case No. 94-434 and be submitted within 10 days to the Public Service Commission, 730 Schenkel Lane, P. O. Box 615, Frankfort, Kentucky 40602.

Provide copies of the notice sent pursuant to this Item and indicate the date the notice was sent.

4. Provide a list setting forth the following information for each of Potter's residential customers: name, address, and estimated length of new service line required to connect residence to Mountain's main.

5. Will Mountain install the new service lines for each residential customers at a cost of \$2 per foot?

a. If no, will each residential customer be responsible for installing a new service line?

b. Provide documentation of the current cost per foot for the installation of a water service line in the vicinity of Ashcamp, Kentucky.

6. Is Mountain's ability to acquire Potter's residential customers contingent upon Mountain's construction of the Elkhorn

Creek Project? If yes, when does Mountain expect to file an application for approval of that project?

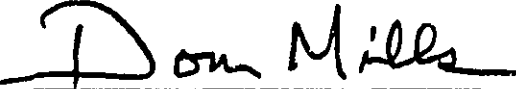
7. Do Potter and Mountain agree that this transfer application must be held in abeyance until the Elkhorn Creek Project has been approved by the Commission? If no, explain fully.

Done at Frankfort, Kentucky, this 9th day of March, 1995.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director